Establishment of a Project Implementation Unit to promote water use efficiency through integrated off-farm and on-farm investments and market linkages in Maharashtra.

Government of Maharashtra
Water Resources Department,
Government Order No. Misc-2018/446/(120/18)/WR(Est.)
Madam Cama Marg, Hutatma Rajguru Chowk,
Mantralaya, Mumbai - 400 032
Date:- 8th October, 2018.

Read : 1) Government Order No. Misc-2017/19/(07/17)/WR(Est.) dated 18th May, 2017.
2) Corrigendum No. Misc-2017/ 19/(07/17)/WR(Est.) dated 20th March, 2018.

Preamble:

Integrated water management and market access is now considered as an important step to promote doubling farmers' income and more crop-per-drop schemes in the state. While Water Resources Department is responsible for 'off-farm' activities, other departments, farmers and Water User Associations (established under the Maharashtra Management of Irrigation System by Farmers Act, 2005) contribute to the 'on-farm' activities. These include adoption of micro-irrigation systems, improved cultivation practices, water conservation and choosing appropriate crops. Water use efficiency in Maharashtra is low and current adoption of micro irrigation systems is also less.

There are currently about 5000 WUAs in the state and their capacity to manage water supplied to them and also promote water use efficiency and productivity is weak, barring a few. Secondly, the required backward and forward linkages for inputs and marketing support for marketing their produce is also weak, with a few exceptions. The role of private sector is mainly limited to supplying inputs, equipment and buying their produce for further marketing and value addition.

Government of Maharashtra is addressing all these issues through schemes such as – water conservation through Jalayukt Shivar, subsidies to farmers to adopt micro-irrigation, Minimum Support Price for different crops, encouraging formation of Farmer Produce Companies (FPCs) for forward linkages, and recently resolved to encourage private sector to come up with innovating schemes through Swiss Challenge Method (vide GR dated 16th February, 2018). However, these are usually not addressed in an integrated manner, as they are managed by different departments.

GoM formed a Multi-Stakeholder Platform (vide GR dated 18th May, 2017), with technical assistance from 2030-Water Resources Group (2030-WRG), The World Bank, to support the state in bringing multi stakeholders togethers to address critical issues related to water use efficiency and productivity. The Command Area Water Productivity

(CAWP) work stream established as a part of this initiative recommended setting up of a Project Implementation Unit (PIU) with a mandate to facilitate implementation of on-farm and off-farm activities, also linked with the market uptake, in an integrated manner through coordination with various government departments and also through innovative Public-Private Partnership models. WRD's proposed PIU is supported by 2030 WRG as well.

Government Order:-

1. Set-up a Project Implementation Unit (PIU) under the Water Resources Department to study, design and support integrated implementation of off-farm, on-farm investments, alongwith capacity building of the WUAs and also establishing appropriate financing and marketing linkages through PPP mode.

2. WRD shall establish the PIU as a Public Private Partnership initiative by inviting independent philanthropic organizations, trusts, civil-society organizations, think-tanks and financial institutions.

3. Staffing for PIU: The PIU shall be headed by a Deputy Secretary/Superintending Engineer, WRD and shall have a team comprising of experts from multiple domains as identified below.

a) Deputy Secretary (CAD)

b) Representative from the Agriculture Department -Member

c) Representative from Water Conservation Department - Member

d) PPP expert,

e) Project/micro Finance Expert,

f) Community mobilization/ communications expert,

g) Project monitoring and evaluation,

h) Technology expert (ITC, weather advisory, GIS etc),

i) Capacity building expert.

(Officer's from Water Resources Department, Agriculture Department and Water Conservation Department will carry out the work of this unit while discharging their regular duties.)

1. PIU head shall report progress on monthly basis to Secretary (CAD) and Secretary (Agriculture).

2. In the initial period, the PIU is expected to study, identify pilot project areas, design appropriate PPP models and invite project proponents from private sector for demonstrating integrated implementation of off-farm, on-farm and market linkages for optimum water use efficiency and productivity results. The PIU shall review and

facilitate necessary approvals and financing arrangements to demonstrate such PPP pilots through appropriate contracting/ MoU arrangements between all key stakeholders. In the later stages, the PIU shall draw lessons from the initial pilots and work to scaleup the PPP models. Detailed terms of Reference for the PIU is given in Annex-1.

3. Initial term of the proposed PIU shall be 3 years beginning October, 2018 extendable based on the satisfactory functioning and market requirements.

4. This Government Order has been approved by Agriculture Department and Water Conservation Department.

This Government order of Maharashtra Government is available at the website www.maharashtra.gov.in. Reference no. for this is 201810081519076527. This order has been signed digitally.

By order and in the name of Governor of Maharashtra..

Rajnish Ramkishor Shukla

Digitally signed by Rajnish Ramkishor Shukla
DN: c=IN, o=Government Of Maharashtra, ou=Water Resources Department, postalCode=400032, st=Maharashtra, 2.5.4.20=d37cbfb080a0bc996a710b3c0aeea737985dac09cb66bbff878f42ad4e77a606, cn=Rajnish Ramkishor Shukla
Date: 2018.10.08 15:22:06 +05'30'

(R.R.Shukla)
Superintending Engineer(WR) & Deputy Secretary,
Government of Maharashtra

Copy to –

1)Principal Secretary, to Hon. Chief Minister, Govt. of Maharashtra, Mantralaya, Mumbai.

2)P.S. to Hon. Minister, Water Resources Department, Mantralaya, Mumbai.

3)P.S. to Hon. State Minister, Water Resources Department, Mantralaya, Mumbai.

4)Chief Secretary, Government of Maharashtra, Mantralaya, Mumbai.

5)Principal Secretary, Finance Department, Mantralaya, Mumbai.

6)Principal Secretary, Planning Department, Mantralaya, Mumbai.

7)Principal Secretary, Agriculture Department, Mantralaya, Mumbai.

8)Secretary, Water Conservation Department, Mantralaya, Mumbai

9)Principal Secretary, Water Resources Department, Mantralaya, Mumbai.

10)Secretary (CADA), Water Resources Department, Mantralaya , Mumbai.

11)Secretary (P & C), Water Resources Department, Mantralaya , Mumbai.

12)Secretary, Maharashtra Water Resources Regulatory Authority, Mumbai.

13)Accountant General, Maharashtra State, Mumbai / Nagpur.

14)Director General, Maharashtra Engineering Research Institute (MERI), Nashik.

15)Director General, Water and Land Management Institute (WALMI), Aurangabad.

16) Executive Director, MKVDC-Pune/ KIDC-Thane/ TIDC-Jalgaon/ GMIDC-Aurangabad/ VIDC-Nagpur.

17) Chief Engineer, Hydrology and Planning, Nashik.

18) Chief Engineer, Mechanical, WRD, Nashik.

19) Chief Engineer, Central Design Organization, Nashik.

20) Chief Engineer (Electrical), Hydro Electric Projects, Mumbai
21) Chief Engineer, WRD, Aurangabad./ Nagpur/ Amravati / Pune/ Konkan Region,
22) Mumbai / North Maharashtra Region, Nashik/ TIDC, Jalgaon.
23) Chief Engineer, CADA, Aurangabad.
24) Chief Engineer, Maharashtra Water Development Center, Aurangabad .
25)Chief Engineer, Gosikhurd Project, WRD, Nagpur.
26)Chief Engineer (SP), WRD, Amravati/(SP), WRD, Pune.
27)Chief Engineer (Civil), Hydro Electric Projects & Quality control, Pune.
28) Chief Engineer & Joint Secretary (WR), Mantralaya, Mumbai.
29) Chief Engineer & Joint Secretary (V&P), Mantralaya, Mumbai.
30) Chief Engineer & Joint Secretary (I), Mantralaya, Mumbai.
31) Chief Engineer & Joint Secretary (KWDT), Mantralaya, Mumbai.
32) Joint Secretary (Services), WRD, Mantralaya, Mumbai.
33) IFA & Joint Secretary, WRD, Mantralaya, Mumbai.
34) All Deputy Secretaries/ Under Secretaries/ Desk Officers, WRD, Mantralaya, Mumbai.
35) Superintending Engineer, Maharashtra Engineering Training Academy Nashik.
36) Superintending Engineer, DIRD, Pune.
37) WR (Estt.) for collection.

Annex-1

Terms of Reference/list of responsibilities of the proposed PIU shall be as follows:

- Develop criteria for selecting pilot projects within command areas in Maharashtra for enabling integrated off-farm, on-farm, capacity development of WUAs and establishing financing and marketing linkages through appropriate PPP models.
- Assimilate information on project costs through early-market price discovery process for transmission, conveyance and on-farm MIS systems (including water storage structures wherever needed).
- Identify initial pilot projects for demonstrations, applying the above criteria and develop detailed project reports through appropriate stakeholder consultations with the farmers, WUAs, private sector, financial institutions, CSOs etc.
- Dialogue and identify potential private sector players and civil society organizations who could participate in the above activities, supporting different project components.
- Seek proposals from private sector players, through the Swiss Challenge method and evaluate the same for further processes.
- Develop proposals for GoM to seek higher project development and implementation funding from multi-lateral agencies and others.
- Support the WRD and other departments in finalizing this process and getting appropriate private players/ CSOs on board for pilot projects. This includes developing evaluation criteria, bid documents, contract documents, MoUs, etc.
- Support implementation of the pilot projects, through appropriate monitoring (develop monitoring formats, systems etc) and linkages with concerned departments/ units.
- Develop and facilitate implementation of an appropriate capacity building and training plan for WUAs, as required.
- Develop a suitable transaction structure that promotes project-based accounting with adequate involvement of project proponents, group of farmers, market-off-takers, engineering firms involved in the build-out. The transaction structure proposed shall include creation of project accounts that can bring-in the available subsidies from different GoM departments wherever applicable (example MIS subsidies through the PMKSY initiative can be brought in to the project accounts)
- Document the entire process, costs and benefits of the pilots and draw out lessons for scale up.
- Prepare a strategy/ plan for scaling up the pilot initiatives in other areas in the state.